

October 25, 1999

The Honorable Mayor Susan W. Kluttz,
City Council, City Manager,
and the Citizens of the
City of Salisbury, North Carolina

We are pleased to submit the Comprehensive Annual Financial Report (Report) of the City of Salisbury (City) for the fiscal year ended June 30, 1999 (FY99). We are particularly proud of the fact this Report has been entirely prepared by the City's Finance Department. Responsibility for both the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects, and it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The accompanying financial statements have been audited by McGladrey & Pullen, LLP, an independent firm of certified public accountants, and their opinion is included in the Report.

GENERAL

The financial statements have been prepared in compliance with applicable requirements of the General Statutes of North Carolina and are consistent with the standards and guidelines recognized for governmental accounting and reporting contained in both *Audits of State and Local Governmental Units*, an audit guide prepared by the Committee of Governmental Accounting of the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards*, issued by the Comptroller General of the United States. Among the other resources used in the preparation of the financial statements, the Finance Department Staff has given particular attention to the *Governmental Accounting, Auditing and Financial Reporting* (GAAFR) issued by the Government Finance Officers Association of the United States and Canada (GFOA), and Governmental Accounting Standards Board (GASB) pronouncements.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, organizational chart, a list of principal officials, and facts and information about the City. The financial section includes the general purpose financial statements, the combining and individual fund and account group financial statements, and other schedules, as well as the auditor's opinion on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendment of 1996, the State Single Audit Implementation Act, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Information related to the compliance audit and the schedule of expenditures of federal and State awards are included in the compliance section of this Report.

The City participates in the Certificate of Achievement for Excellence in Financial Reporting awards program sponsored by the Government Finance Officers Association of the United States and Canada. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The City's Comprehensive Annual Financial Report for the year ended June 30, 1998, was awarded a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report meets the Certificate of Achievement Program's requirements and intend to submit it to the GFOA to determine its eligibility for another certificate.

ECONOMIC CONDITION AND OUTLOOK

The City of Salisbury is located in the heart of North Carolina. Situated along the I-85 corridor which links the community to the state's economic centers, the City is located midway between two major metropolitan regions: Charlotte to the south, and the Piedmont Triad (Greensboro, High Point and Winston-Salem) to the north. In addition to the interstate highway, the City is also served by two major rail lines which intersect in town and a recently expanded airport on the outskirts of the community. This location offers widely diversified employment opportunities for residents in areas ranging from financial, educational, medical, and governmental to industrial and research activities. In summary, the diverse local economic base and long-term planning coupled with the region's advantages have made the City an attractive place to do business and to live.

The location also allows the City to serve as a trading and distribution center for the County and portions of surrounding counties. Community leaders are excited about the construction of a new commercial retail center nearing completion. Gross retail sales in Salisbury for the twelve months ended June 30, 1999, increased in excess of eight million dollars to \$656,812,313, an increase of 1.24% over last year's figures. Total Rowan County sales increased by almost two percent to \$1,077,265,394.

Salisbury has fared well economically in comparison to many other locales over the last several years. The economic processes of several years past propelled renewal within the community, providing local business, civic, and government leaders the opportunity to plan and direct a renewed industrial recruitment focus to further broaden and stabilize the City and County's economic base. The region's advantages and opportunities have become an attractive selling point for new businesses and industries locating or expanding in the area. The average unemployment rate over the past twelve months ended June 30, 1999, was a modest 3.4%, up 0.4% from 3.0% in 1998. This is slightly higher than the state unemployment rate which averaged 3.2%. The low unemployment rate is primarily due to a diversified industry base coupled with orderly growth and expansion of existing industries and the location of new industries and businesses in the area. Over the past 18 months, more than 1,600 new jobs have been created and in excess of \$44 million has been invested in new business and industry construction and expansions in Rowan County.

The downtown area continues to go against the trend of retail exodus to area malls. The downtown business district continues to be a thriving retail center for area merchants. During the past fiscal year various developers, along with City and County governments, have committed to investments in excess of \$12,000,000 in the downtown area. These investments will bring additional shopping, office space, banking and parking to the downtown business district. In addition, the renovation of the Meroney Theater by the Piedmont Players, Inc. has helped increase business for the downtown area merchants and brought an entertainment facet to the downtown district. The Theater is used by the Piedmont Players, a local community theater group, approximately six times a year to produce and stage theatrical performances.

The City's proximity to the State's metropolitan regions and the growth in the City and County provides many advantages and challenges. The City's management, the City Council, and the citizens continue to explore and develop goals and plans to keep the City of Salisbury financially sound while providing the services domestic and corporate citizens require.

MAJOR INITIATIVES

During FY99, the City of Salisbury began and continued several efforts focused on the concerns, wants and needs of its citizens identified in FY95 and in a Municipal Service Survey completed in the spring of 1997. These efforts were made and accomplished in spite of the difficulties in trying to balance the citizens' needs and attain goals with the limited financial resources available. The City made major strides toward meeting those wants and needs during FY99. Five areas worth noting were the continued progress in the City's improvement of City neighborhoods, continued revitalization of downtown Salisbury, identification and recruitment of new development, establishment of a strategic growth plan, and the construction of a comprehensive sports complex.

The improvement of City neighborhoods and communities is one of the foremost goals that came from the City Council's Annual Future Directions and Goal Setting Conference. The City's Community Development Department has made significant progress towards accomplishing this goal. During the past fiscal year the City opened its new Business and Community Center. The Center will serve as a gathering place for residents of the West End neighborhood and will encourage new minority-owned businesses to establish their roots within the center. The City is also involved in a project to revitalize the Park Avenue neighborhood. A site has been purchased for a new community center, and a new park, which was designed by members of the Park Avenue Neighborhood organization, is currently under construction. Council has also placed a high priority on developing and maintaining a feeling of safety for all areas of the City. The Police Department has continued to make its presence known through the Community Policing Program and their comprehensive approach to problem solving in neighborhoods and communities. The City has installed computers in police cars to enable the officers to access information in the databases of state law enforcement agencies, and will soon be installing video cameras. These computers and cameras will help to increase the level of safety for the officers and the citizens of Salisbury.

The City continues to support and encourage the revitalization of the downtown business district that began in the early 1980's. Contractors have recently completed renovating a former bank building into a new City Hall. The newly added office space and the continuing renovations of the existing office building should enable the City's staff to more efficiently serve the needs of the community. Another step in the redevelopment of the downtown area was the City's purchase of the former Flowers Bakery property in July 1997. The City has begun to sell parts of that property to various developers which, along with other proposed projects, will lead to an estimated \$12,000,000 in revitalization investments into the downtown area.

The City's tax base has continued to increase due to commercial development, such as the new Innes Street Market, which added retail space, restaurants, and a bank during the past fiscal year. Also, FY99 saw the demolition of the abandoned Towne Mall and a nearby hotel. New development in that area will include an all-suite hotel and a fast-food restaurant. Because of developments such as these, total assessed property valuation increased over seven percent during FY99. These increases in the tax base will help to insure the City's continued economic stability.

The City is currently is in the process of establishing a long-range plan for controlled growth – the 2020 Strategic Growth Plan. A long-term plan is necessary to assure that the City will be prepared to handle the expected continued growth during the next two decades. The 2020 plan will include new strategies and policies concerning regional water and sewer service, regional planning, new urbanism, and public safety.

The City will be arranging community workshops to educate the public about different aspects of new urbanism.

Finally, the Parks and Recreation Department made considerable progress on the new Salisbury Community Park and Athletic Complex during FY99. Plans for design and construction of the initial phase of the park were completed and construction is well under way. An official ground breaking was held in early 1999.

FUTURE DEVELOPMENTS

As discussed above, the Parks and Recreation Department will continue their efforts as the Salisbury Community Park and Athletic Complex takes shape. If construction goes as planned, the park is scheduled to open in the fall of 2000. The City has already received grants and donations toward future projects within the park.

Regulatory compliance mandates are driving the Water and Sewer Utility's capital improvement program for FY99 and beyond. The North Carolina Division of Environmental Health has mandated that our water treatment plant must be upgraded. The first of several upgrade projects was completed in May, 1999, with the total upgrade scheduled to be completed in FY03. These projects will be paid for with a combination of state loan funds and general obligation bonds. Also, the two existing wastewater treatment plants must be upgraded to maintain compliance until a new plant is mandated. A comprehensive study will determine the capital needs and a project schedule will be adopted in FY00. Construction will begin during FY00.

The City will continue to participate in the Benchmarking Project being conducted by the Institute of Government of the University of North Carolina at Chapel Hill. The purpose of this project is to provide an external context in which to examine local government performance. The initial services that were evaluated are police services, street maintenance and solid waste collection. During the next phase of the project, the City's fire services will be evaluated. The City hopes to improve existing service by establishing local government performance measures which can be compared to other municipalities in order to assess our performance. City goal setting, team building, goals evaluation, and determining levels of service will all be enhanced by participating in the implementation of uniform performance measure standards that will allow for a municipality's performance to be assessed.

REPORTING ENTITY

This Report includes all funds, account groups, agencies, commissions, and boards which are dependent on the City or over which the City may exercise control. The City of Salisbury (as legally defined) is considered to be a primary government. Current governmental standards for accounting and financial reporting require inclusion of the primary government as well as its component unit in a published comprehensive annual financial report. The component unit is a legally separate entity for which the primary government is primarily financially accountable or for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The primary government is considered financially accountable if it appoints a voting majority of the organization's governing body; and 1) it is able to impose its will on that organization; or, 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government.

The discretely presented component unit, Downtown Salisbury Inc., is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government and to differentiate its financial position, results of operations, and cash flows from those of the primary government.

SERVICES PROVIDED

The City of Salisbury provides a full range of municipal services allowable under State law including law enforcement, fire protection, zoning and code enforcement, recreation centers and parks, cemeteries, street maintenance, sanitation, and water and sewer systems.

GOVERNMENT STRUCTURE

The City employs a Council-Manager form of government as provided in the City's Charter. The governing body consists of five council members, elected on a nonpartisan basis at large for a two year term. The Council elects the Mayor from among themselves. The Mayor is usually the council member receiving the highest number of votes in the general election. Elections are held in November of odd numbered years. The City Manager (the chief executive officer) is appointed by and serves at the pleasure of the Mayor and Council. The Mayor and Council adopt a balanced budget and establish a tax rate for the support of City services prior to the beginning of each July 1 to June 30 fiscal year. The City Manager administers City programs in accordance with local policy and the annual budget.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

In developing and evaluating the City's accounting systems, consideration is given to the adequacies of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and State awards, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the City's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and State awards, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for FY99 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of departmental balances are not released until additional appropriations are made available. Open encumbrances lapse at year end and are reinstated against the subsequent year's appropriation. They are shown as a reservation of fund balance at June 30, 1999.

BASIS OF ACCOUNTING

The City's accounting records for governmental funds are maintained on a modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized in the accounting

period in which the liability is incurred except for unpaid interest on general long-term debt. Proprietary fund and pension trust fund revenues and expenses are recognized on the accrual basis whereby revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred. Fiduciary funds are accounted for on the modified accrual basis, the same as for governmental funds.

FUND ACCOUNTING

Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or obtaining certain objectives in accordance with special regulations, restrictions, or limitations. Thus a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functions.

FUND AND ACCOUNT GROUP CATEGORIES

Governmental funds are those through which governmental functions typically are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities, except those accounted for in the proprietary fund, are accounted for through governmental funds. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, usage, and balances of financial resources), rather than upon net income determination. The statement of revenues, expenditures, and changes in fund balance is the primary governmental fund operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

Proprietary funds are used to account for a government's ongoing organizations and activities which are similar to those found in the private sector. All assets, liabilities, equity, revenues, expenses, and transfers relating to the government's business and quasi-business activities (where net income and capital maintenance are measured) are accounted for through proprietary funds. The generally accepted accounting principles here are those applicable to similar businesses in the private sector; and the measurement focus is upon determination of net income, financial position, and cash flows.

Fiduciary funds are used to account for assets held by governmental units in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are purely custodial in nature and do not measure the results of operations. Pension trust funds are accounted for in essentially the same manner as proprietary funds.

In addition to these three fund types, there is a fourth category of accounting entity, the account groups. Account groups are used to establish accounting control and accountability for the government's general fixed assets and the unmatured principal of the general long-term debt. These two account groups do not, however, account for any fixed assets or unmatured principal of any long-term debt for any proprietary fund.

FINANCIAL MANAGEMENT

The City's financial management program continues to provide the citizens of the City with an approach which has served to enhance the City's excellent financial position by:

1. Investing all available funds not needed on a daily basis in order to maximize interest earnings, and
2. Allocating City resources only to program areas that meet community needs, and
3. Monitoring these program areas to ensure they are carried out within authorized levels.

This financial management program allows the City to achieve its goal of expanded and improved services at a reasonable cost to the citizens of Salisbury. Additionally, the City's bond rating of "A1" by Moody's Investors Service, Inc. and "A+" by Standard and Poor's Corporation was reaffirmed in June 1998. This is a reflection of the City's continued sound financial condition.

EXHIBIT 1

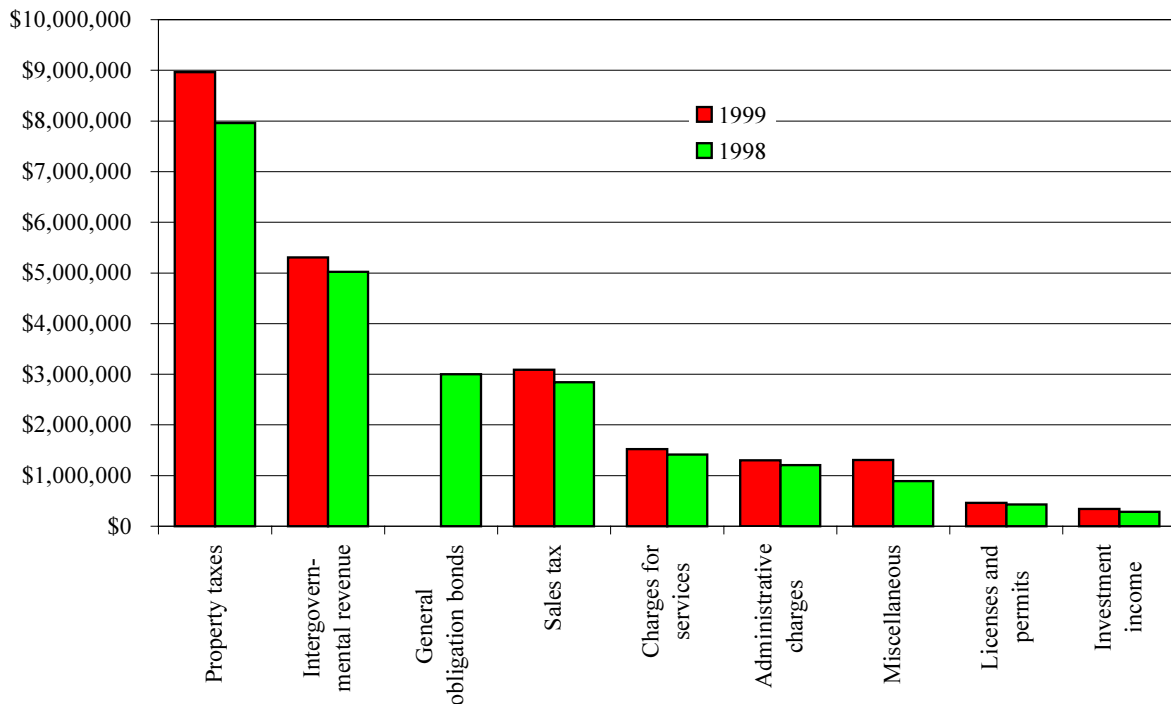
COMPARATIVE SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES GOVERNMENTAL FUNDS

Source	1999				Percent
	Percent of	Fiscal Year Ended June 30,		Increase	Increase
	Total	1999	1998	(Decrease)	(Decrease)
Property taxes, penalties, interest, and other taxes	40.22%	\$ 8,969,699	\$ 7,964,895	\$ 1,004,804	12.62%
Intergovernmental revenue	23.80%	5,308,227	5,022,098	286,129	5.70%
General obligation bonds	-	-	3,000,000	(3,000,000)	(100.00%)
Sales tax	13.86%	3,091,079	2,847,595	243,484	8.55%
Charges for services	6.82%	1,520,687	1,416,622	104,065	7.35%
Administrative charges	5.83%	1,299,875	1,207,500	92,375	7.65%
Miscellaneous	5.86%	1,306,069	888,934	417,135	46.93%
Licenses and permits	2.09%	466,325	427,718	38,607	9.03%
Investment income	1.52%	341,132	284,365	56,767	19.96%
Total	100.00%	\$ 22,303,093	\$ 23,059,727	\$ (756,634)	(3.28%)

(Derived from Statements B-3, C-2 and D-2)

EXHIBIT 2

REVENUES AND OTHER FINANCING SOURCES GOVERNMENTAL FUNDS



REVENUES - GOVERNMENTAL FUNDS

As illustrated in Exhibits 1 and 2, the \$756,634 (3.28%) decrease in revenues in the City's governmental funds from FY98 is the result of extraordinary revenue from general obligation bonds during the prior year. Revenues from all other sources increased \$2,243,366. Property taxes, including penalties, interest, and other taxes (40.22%) and intergovernmental revenue (23.80%) continue to be the major revenue sources to governmental funds. These sources comprise a total of 64.02% of such revenues and increased \$1,290,933 over FY98.

Property Tax Revenues

After three consecutive "no-tax increase" years, the City had a four and one-half (4.5) cent tax rate increase to sixty-two (62) cents per \$100 assessed valuation. This increase was necessary due to citizens' increased levels of desired City services and long range strategies and goals adopted by the City Council. The tax rate for the downtown tax district remained at sixteen (16) cents per \$100 assessed valuation. The tax receipts from the downtown district are utilized by Downtown Salisbury, Inc. for advertising and promotional activities in the district. These tax receipts are accounted for in the Municipal Service District Agency Fund and are not included in Exhibit 1. Total property tax revenue, including prior year collections increased \$1,004,804 (12.62%).

Total assessed valuation increased \$100,311,706 (7.26%) in FY99. Exhibit 3 depicts this change by types of assessed property, while Exhibit 4 graphically illustrates the City's property tax base.

EXHIBIT 3

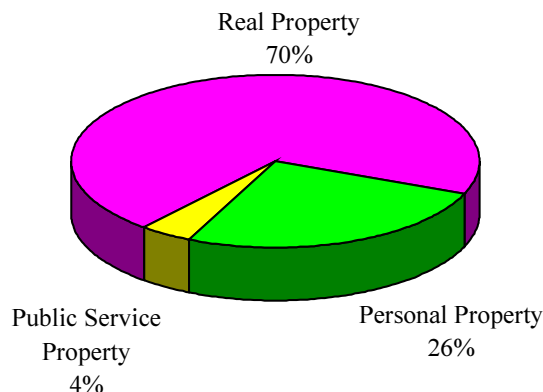
ASSESSED VALUATION

Source	1999				Percent
	Percent of	Fiscal Year Ended June 30,		Increase	Increase
	Total	1999	1998	(Decrease)	(Decrease)
Real Property	70.32%	\$ 1,042,366,457	\$ 967,242,955	\$ 75,123,502	7.77%
Personal Property	25.78%	382,196,263	357,072,088	25,124,175	7.04%
Public Service Property	3.90%	57,889,345	57,825,316	64,029	0.11%
Total	100.00%	\$ 1,482,452,065	\$ 1,382,140,359	\$ 100,311,706	7.26%

(Derived from Table 5)

EXHIBIT 4

1999 ASSESSED VALUATION



The percentage of current taxes collected in FY99 decreased slightly from FY98. Exhibit 5 compares collections in FY99 and FY98. When all property tax collections are considered, the rate of collection decreased from 100.63% during FY98 to 98.85% in 1999.

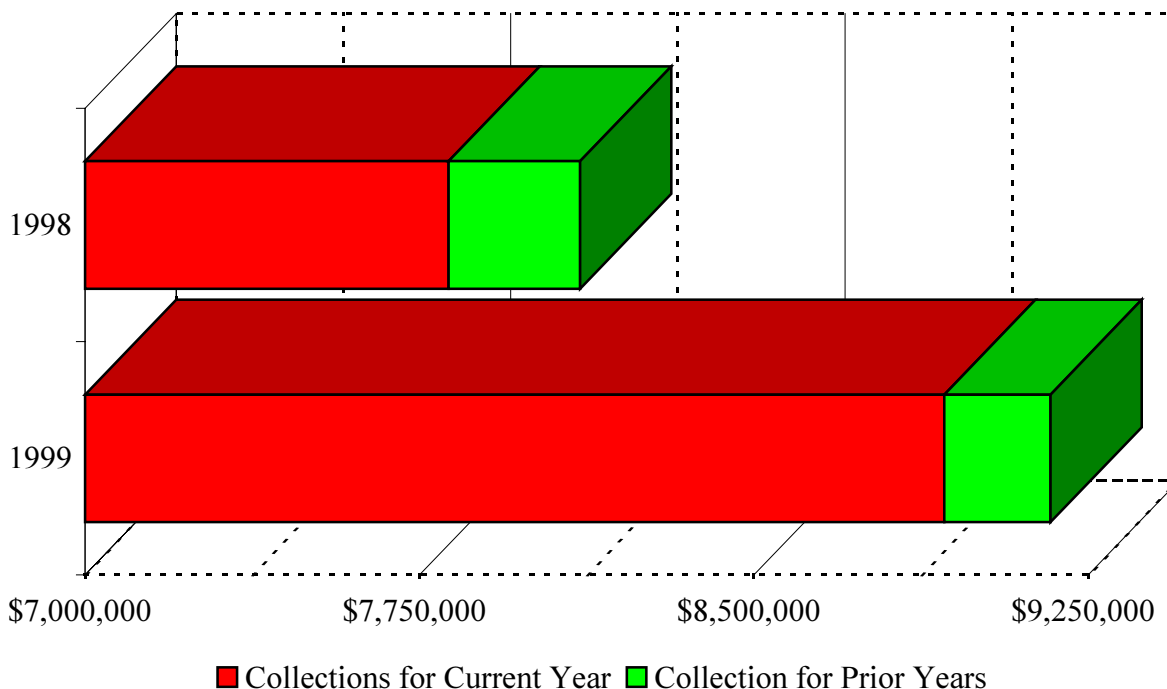
EXHIBIT 5
TAX COLLECTIONS

Fiscal Year		Percent	Percent of
Ended June 30,	Tax Levy	Collected in	Total
		Year of Levy	Collected to
			Tax Levy
1999	\$ 9,271,351	96.28%	98.85%
1998	\$ 8,059,604	96.97%	100.63%

(Derived from Table 4)

Exhibit 6 graphically illustrates tax collections for the two years. The collection effort continues for a ten year period, after which any uncollected amount is written off. In FY99, a total of \$15,226 was written off.

EXHIBIT 6
TOTAL TAX COLLECTIONS BY YEAR



Intergovernmental Revenue

Intergovernmental revenues, which is primarily composed of State-shared revenues, increased \$286,129 (5.70%) over FY98. The most significant reason for this increase is a \$194,279 increase in reimbursements from the City's federal Community Development Block Grant.

Sales Tax

Sales tax revenue comprises 13.86% of the City's total governmental revenues. This year, sales tax revenue increased \$243,484 (8.55%) from FY98. As discussed earlier, the City's local economy has continued to increase in energy, and the resulting increase in retail sales has continued to boost sales tax revenue to higher levels each year.

Investment Income

Interest earned on investments is an important contributing factor in maintaining a stable tax rate. During FY99, \$341,132 earned on investments was the equivalent of more than 2 cents on the local tax rate.

Other Revenues

Administrative charges to the Water and Sewer Fund increased \$92,375 (7.65%). This increase is due to an increase in the underlying expenditures for the utility provided by the General Fund based on an existing formula used to calculate the amount of reimbursement. Miscellaneous revenues, including sale of property, rental of property, donations, and other unclassified revenues, increased \$417,135 (46.93%). Miscellaneous revenues during FY99 were high due to the sale of one parcel of the former Flowers Bakery property for \$165,428 and an increase of \$337,047 in donations. Charges for services increased \$104,065 (7.35%). This is attributable to increases across-the-board in user fees and charges.

EXPENDITURES AND OTHER FINANCING USES - GOVERNMENTAL FUNDS

Total expenditures and other financing uses increased \$1,245,935 (5.51%) during FY99. Total expenditures and other financing uses were \$23,868,306, which is approximately \$5.46 million or 18.64% under budget. Although salaries and fringe benefit costs increased throughout the City, these increases were offset by holding the line on operational expenditures, except for increases for much needed facilities maintenance.

EXHIBIT 7

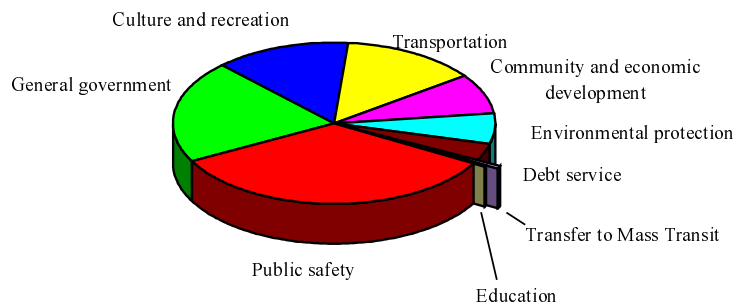
COMPARATIVE SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES GOVERNMENTAL FUNDS

Function	1999				Percent
	Percent of	Fiscal Year Ended June 30,		Increase	Increase
		Total	1999		
Public safety	33.99%	\$ 8,113,842	\$ 6,900,177	\$ 1,213,665	17.59%
General government	20.35%	4,856,896	4,403,617	453,279	10.29%
Culture and recreation	13.70%	3,271,023	3,931,369	(660,346)	(16.80%)
Transportation	13.56%	3,237,416	3,047,455	189,961	6.23%
Community & economic development	8.10%	1,932,935	2,219,221	(286,286)	(12.90%)
Environmental protection	6.16%	1,470,108	1,331,161	138,947	10.44%
Debt service	3.28%	783,462	617,008	166,454	26.98%
Transfer to Mass Transit	0.67%	160,282	130,021	30,261	23.27%
Education	0.19%	42,342	42,342	-	-
Total	100.00%	\$ 23,868,306	\$ 22,622,371	\$ 1,245,935	5.51%

(Derived from Statements B-2, C-2, and D-2)

Exhibit 7 presents a comparison of expenditures by function, while Exhibit 8 graphically illustrates where the expenditures occurred. A brief analysis of major changes follows.

EXHIBIT 8
EXPENDITURES AND OTHER FINANCING USES
GOVERNMENTAL FUNDS – 1999



Public Safety

The City's Public Safety programs include police and fire service protection for which expenditures increased \$1,213,665 (17.59%) in FY99. Total Police Department expenditures increased \$428,353. This increase is mainly due to the FY99 acquisition of new police software and in-car computers at a cost of \$220,611. The Police Department's operational expenditures were held at approximately the same level as in FY98. Fire Department expenditures increased \$785,312. During FY99 the Fire Department acquired a new pumper at a cost of \$426,210 and land for a new fire station at a cost of \$202,184, which account for the majority of this increase.

General Government

General government includes the expenditures of the City Council, City Manager, Finance, Purchasing, Information Technologies, Human Resources, City Office Buildings, Telecommunications, Public Services Administration, and Fleet Management. The FY98 increase of \$453,279 (10.29%) is attributable to renovations to City Hall and the City Office Building totaling \$610,980.

Culture and Recreation

Culture and recreation includes the Recreation and Landscaping departments. All the City's recreation programs, parks, recreation centers, and cultural activities and appropriations are accounted for in the Recreation Department. Culture and recreation experienced a decrease of \$660,346 or 16.80% during FY99. During FY99 the City spent \$636,404 less on the new Salisbury Community Park and Athletic Complex than in FY98, which included the purchase of 314 acres of land.

Transportation

Transportation expenditures, which includes street maintenance, lighting, traffic engineering, and Powell Bill, increased \$189,961 (6.23%) in FY99. This increase is attributable to the purchase of new street maintenance equipment totaling \$180,955.

Community and Economic Development

Expenditures during FY99 decreased \$286,286 or 12.90% in the City's community and economic development programs. These programs are comprised of the City's Community Development Department, Housing and Urban Development (HUD) grant programs, Developmental Services Department, and the Plaza. This decrease in expenditures is due to purchases of real estate totaling \$547,294 during FY98, including the purchase of the former Flowers Bakery property for \$504,782. The decrease in the purchase of real estate offsets the increase in expenditures in the City's Special Revenue Fund, Housing and Urban Development (HUD) Fund. Total HUD expenditures increased \$123,495 and included renovations to the West End Community Center.

Environmental Protection

The City's environmental protection programs are comprised of the Solid Waste Management and Cemetery departments. Expenditures increased during FY99 by \$138,947 or 10.44%. During FY99 the City purchased a new refuse collection truck for \$119,077.

Debt Service

Debt service expenditures increased \$166,454, a 26.98% increase. This increase is due to \$171,719 of additional debt payments on \$3,000,000 Parks and Recreation Bonds, which were issued during the prior fiscal year.

The City's \$3,425,000 of general obligation bonds issued for various public improvement projects show as debt outstanding in the general long-term debt account group at June 30, 1999. The bonds are backed by the full faith and taxing power of the City. The City also has \$1,296,547 in capital leases payable which are included in the general long-term debt account group. The general obligation bonds and the capital leases are being retired through the resources of the General Fund.

In addition to these bonds, the City accounts in the Water and Sewer Fund for an additional \$19,935,000 general obligation bonds, \$1,970,000 revenue bonds, and \$4,905,108 State Clean Water bonds outstanding at June 30, 1999 issued for Water and Sewer purposes. Also, the City has \$3,207,588 in outstanding capital leases incurred for Water and Sewer purposes.

Other Expenditures

The City supplement to the Salisbury Mass Transit System increased \$30,261 or 23.27% during FY99 while the supplement the City provides to the Rowan-Salisbury School System remained at last year's amount of \$42,342.

FUND BALANCE - GENERAL FUND

The \$4,368,245 fund balance of the General Fund at June 30, 1999, is \$508,741 less than the June 30, 1998 balance (see Exhibits 9 & 10). This decrease can be attributed to the renovation projects at City Hall and the City Office Building.

Funds available for the replacement of vehicles and other capital equipment decreased \$414,639. This decrease is due to aforementioned addition of a new pumper for the fire department. The portion of fund balance reserved by State statute decreased \$102,204 primarily due to a decrease in the total that was due from other governments as of June 30, 1999. The amount reserved for encumbrances is composed of \$384,576 for other obligations not satisfied as of year end. Unrestricted and undesignated fund balance

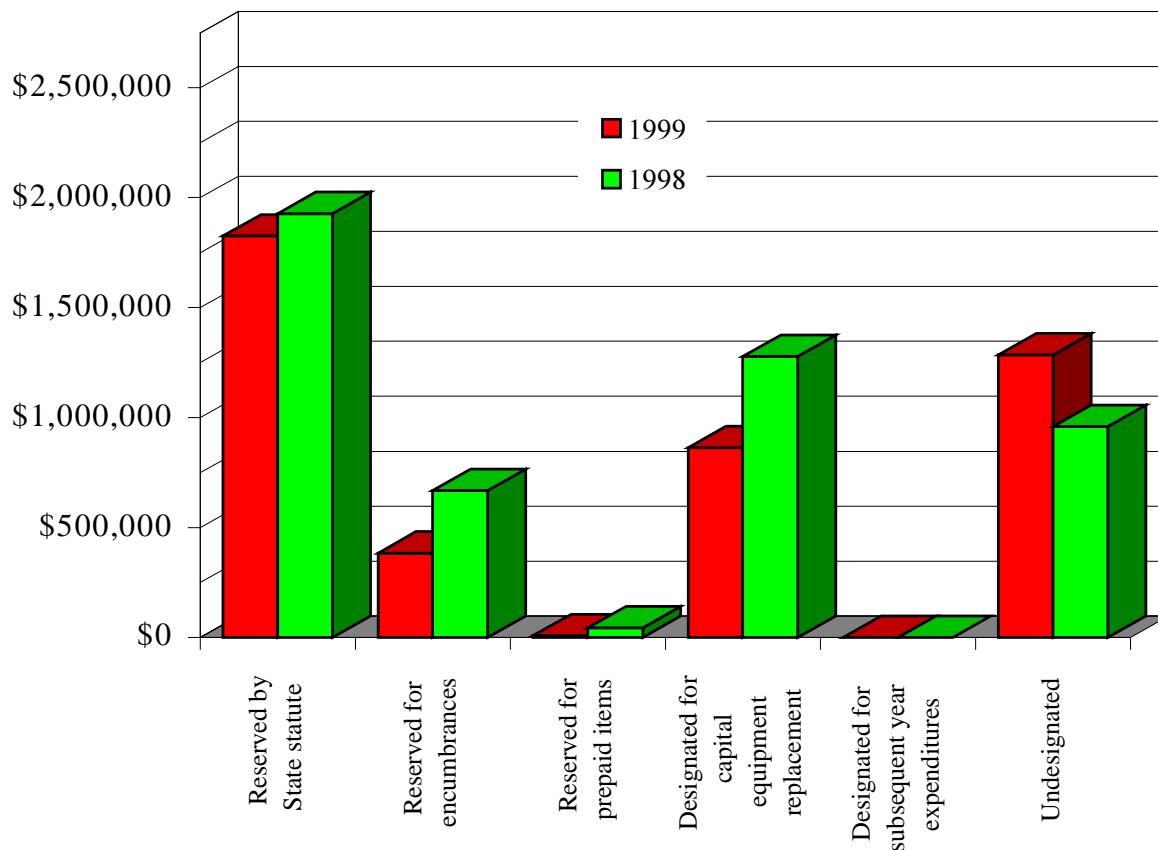
increased by \$326,708 to \$1,285,540, which is testimony to the budgetary process through which the efforts of City Council and management to curtail expenditures and to increase or create additional revenue sources are matched to exhibit a fiscally responsible organization.

EXHIBIT 9
FUND BALANCE
GENERAL FUND

	Fiscal Year Ended June 30,		Increase
	1999	1998	(Decrease)
Reserved by State statute	\$ 1,825,937	\$ 1,928,141	\$ (102,204)
Reserved for encumbrances	384,576	667,772	(283,196)
Reserved for prepaid items	8,887	44,297	(35,410)
Unreserved:			
Designated for capital equipment replacement	863,305	1,277,944	(414,639)
Undesignated	1,285,540	958,832	326,708
Total fund balance	<u>\$ 4,368,245</u>	<u>\$ 4,876,986</u>	<u>\$ (508,741)</u>

(Derived from Statement B-1)

EXHIBIT 10
COMPARATIVE ANALYSIS OF FUND BALANCE



The City follows a policy of maintaining an adequate fund balance as a safeguard against unforeseen circumstances and to provide a solid foundation for the City's fiscal health. At June 30, 1999 fund balance equaled 18.96% of the General Fund's operating budget for the new fiscal year.

BONDED INDEBTEDNESS

Total outstanding general obligation debt, revenue bond debt, and State Clean Water Bonds at June 30, 1999 totaled \$30,235,108. North Carolina statutes provide that cities may maintain outstanding debt in an amount equal to eight percent (8%) of assessed valuation. The current statutory debt margin for the City is \$90,732,030.

CASH MANAGEMENT

The City's temporary idle cash is invested in interest bearing demand deposits, certificates of deposit, obligations of the U.S. Treasury and federal agencies, bankers acceptances, commercial paper, and the North Carolina Capital Management Trust. All revenues received are deposited the same day in a consolidated interest-bearing bank account. This bank account is drawn upon to meet all payroll and payable obligations, and the City maintains in this account only as much money as is required to meet current obligations. All other idle cash is invested in instruments authorized by the General Statutes of North Carolina. The average yield on investments was 4.46% for the year ended June 30, 1999.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. The City's entire investment portfolio at June 30, 1999, is classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. The remainder of the portfolio is exempt from risk categorization as the NC Capital Management Trust is an SEC registered mutual fund where the City is only a shareholder of a percentage of the fund and does not own any identifiable securities.

RISK MANAGEMENT

In the efforts to maintain services at a reasonable cost to the citizens of Salisbury, the City has developed and maintained a risk management program which encompasses nearly every aspect of the City's operations. Insurance liability coverage is obtained through a combination of commercial insurers, the insurance pool administered by the NC League of Municipalities, and self insurance. This approach has allowed the City to obtain maximal amounts of property and liability coverage at the most economical cost.

REVENUE - ENTERPRISE FUNDS

Enterprise funds revenue increased by \$84,945 (0.66%) over the previous fiscal year (see Exhibit 11). The revenue increased in the Water and Sewer Fund by \$23,919 (0.19%) despite the closing of the City's largest utility customer in the spring of 1999. Increased water and sewer rates generated additional revenue that helped to minimize the effect of the plant closing. Revenues in the Mass Transit Fund increased \$61,026 (22.43%). Transit fare revenues increased slightly by \$2,841 (3.89%) from the prior year. Other revenues increased \$58,185 (29.23%) due primarily to increased supplemental funding by the City's General Fund and the North Carolina Department of Transportation.

EXHIBIT 11
COMPARATIVE SCHEDULE OF REVENUES
ENTERPRISE FUNDS

Source	1999	Fiscal Year Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	Percent of Total	1999	1998		
Water and Sewer:					
Charges for services	88.20%	\$ 11,402,462	\$ 11,429,925	\$ (27,463)	(0.24%)
Other revenues	9.22%	1,191,878	1,140,496	51,382	4.51%
	<u>97.42%</u>	<u>\$ 12,594,340</u>	<u>\$ 12,570,421</u>	<u>\$ 23,919</u>	<u>0.19%</u>
Mass Transit:					
Charges for services	0.59%	\$ 75,879	\$ 73,038	\$ 2,841	3.89%
Other revenues	1.99%	257,222	199,037	58,185	29.23%
	<u>2.58%</u>	<u>\$ 333,101</u>	<u>\$ 272,075</u>	<u>\$ 61,026</u>	<u>22.43%</u>
Total	<u>100.00%</u>	<u>\$ 12,927,441</u>	<u>\$ 12,842,496</u>	<u>\$ 84,945</u>	<u>0.66%</u>

(Derived from Statement E-2, E-5, and E-9)

EXPENSES - ENTERPRISE FUNDS

Enterprise expenses increased \$1,333,736 (11.59%) over the prior fiscal year as shown in Exhibit 12. Water and Sewer Fund expenses, including depreciation, increased \$1,329,048 (12.04%). Administration expenses increased \$601,761 (29.35%), of which most can be attributable to increases in professional services expenditures for preliminary engineering designs and consultants. Operations expenses increased a modest \$46,473 (0.80%). Interest expense increased by \$188,792 from FY98 due to \$3,250,000 general obligation bonds issued during June 1998.

Mass Transit Fund expenses, including depreciation, increased only \$4,688 or 0.98%. When the effect of depreciation is removed, the Fund experienced an increase of \$18,120 (4.29%).

EXHIBIT 12
COMPARATIVE SCHEDULE OF EXPENSES
ENTERPRISE FUNDS

Function	1999	Fiscal Year Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
	Percent of Total	1999	1998		
Water and Sewer:					
Administration	20.65%	\$ 2,652,225	\$ 2,050,464	\$ 601,761	29.35%
Operations	45.81%	5,884,113	5,837,640	46,473	0.80%
Interest	12.06%	1,549,157	1,360,365	188,792	13.88%
Depreciation	17.73%	2,277,590	1,785,568	492,022	27.56%
	<u>96.25%</u>	<u>\$ 12,363,085</u>	<u>\$ 11,034,037</u>	<u>\$ 1,329,048</u>	<u>12.04%</u>
Mass Transit:					
Administration	0.86%	\$ 110,348	\$ 101,506	\$ 8,842	8.71%
Services	2.57%	330,440	321,162	9,278	2.89%
Depreciation	0.32%	40,687	54,119	(13,432)	(24.82%)
	<u>3.75%</u>	<u>\$ 481,475</u>	<u>\$ 476,787</u>	<u>\$ 4,688</u>	<u>0.98%</u>
Total	<u>100.00%</u>	<u>\$ 12,844,560</u>	<u>\$ 11,510,824</u>	<u>\$ 1,333,736</u>	<u>11.59%</u>

(Derived from Statement E-2, E-5, and E-9)

FUND EQUITY - ENTERPRISE FUNDS

Water and Sewer Fund equity, as shown in Exhibit 13, increased by \$1,891,336 while the Mass Transit Fund equity increased by \$29,477 between July 1, 1998, and June 30, 1999. The Water and Sewer Fund equity increase was primarily the result of significant developer contributions. The increase in Mass Transit fund equity was due principally to the increase in funding from the City's General Fund and the North Carolina Department of Transportation. These factors resulted in net income before depreciation of \$52,595.

EXHIBIT 13

FUND EQUITY ENTERPRISE FUNDS

	<u>1999</u>	<u>1998</u>	<u>Increase (Decrease)</u>
Water and Sewer:			
Contributed capital	\$ 31,443,947	\$ 29,783,866	\$ 1,660,081
Retained earnings	25,328,495	25,097,240	231,255
	<u>\$ 56,772,442</u>	<u>\$ 54,881,106</u>	<u>\$ 1,891,336</u>
Mass Transit:			
Contributed capital	\$ 1,489,991	\$ 1,472,422	\$ 17,569
Retained earnings	(1,173,232)	(1,185,140)	11,908
	<u>\$ 316,759</u>	<u>\$ 287,282</u>	<u>\$ 29,477</u>
Total fund equity	<u>\$ 57,089,201</u>	<u>\$ 55,168,388</u>	<u>\$ 1,920,813</u>

(Derived from Statement E-4 and E-8)

INTERNAL SERVICE FUNDS

The City maintains two internal service funds for the purpose of providing services to the City's other operational funds. These funds are the Workers' Compensation Fund and the Employee Health Care Fund.

The City is self-insured for workers' compensation claims with an excess policy. The Workers' Compensation Fund is used to account for monies provided by the City and interest earnings on those monies to provide funds for major workers' compensation claims. The City incurred \$116,315 in claims during the year which required the use of City funds but not our excess policy. FY99 claims were basically unchanged from the prior year, with an increase of only \$601. The City maintains a constant vigilant effort to hold costs to a minimum through the City's active development of risk reduction activities. These include reviewing employee accident reports, employee accident prevention training, employee health awareness activities, and newsletters to employees.

The City also is self-insured for its employee health care policy. Premiums are established for the various classes (individual, parent-child, and family) of health care annually. The City deposits its contribution together with the amounts withheld from employees' compensation into the Employee Health Care Fund monthly. All claims for benefits under the City's health care policy are paid from this Fund. The City also maintains specific stop loss coverage of \$40,000 per employee annually and an aggregate stop loss of 120% in excess of anticipated claims. During the year, the City incurred excess benefit claims for three covered individuals where the specific stop loss was applied. Claims for the year were \$225,962 (13.16%) higher than

last year. The Fund strives to maintain a balance in excess of the incurred but not reported claims estimate. However, as of June 30, 1999, cash and investment balances were less than the incurred but not reported claims estimate.

FIDUCIARY FUNDS

The City maintains three fiduciary funds: Boards and Commissions and Municipal Service District funds, which are agency funds, and the Law Officers' Special Separation Allowance Fund, a pension trust fund.

A municipal service district was established in Salisbury in 1986 together with a non-profit company named Downtown Salisbury, Inc. to administer the disbursement of funds received by the district. The City levies a tax rate of sixteen cents per \$100 assessed valuation on this special tax district. The Municipal Service District Fund is used to account for the collection of this tax and the remittance of it to Downtown Salisbury, Inc. During the year, the City remitted \$78,068 to Downtown Salisbury, Inc. from the Municipal Service District Fund.

The Boards and Commissions Fund is used to accumulate and disburse funds earned by the Community Appearance Commission and the Tree Board. At June 30, 1999, they had a balance of \$2,989 available for their use.

The Law Officers' Special Separation Allowance Fund was established to account for the pension activities mandated by State statute under the Law Enforcement Officers' Special Separation Allowance. The Fund accounts for contributions made by the City to provide for pension benefits, interest earnings on these monies, and the disbursement of pension amounts. During FY99, the City paid \$17,801 in pension benefits. The City conducts an actuarial review of the Plan on an annual basis and adjusts the required contributions to the Fund at the beginning of each fiscal year.

YEAR 2000

The Year 2000 issue is the result of the elimination of the first two digits from a year in software programs. Many programs will not be able to distinguish between the year 2000 and the year 1900, which might cause the programs to process data incorrectly or stop processing data altogether. The Governmental Accounting Standards Board has issued a technical bulletin that identifies five stages of work needed to achieve compliance. They are awareness, assessment, remediation, validation/testing, and implementation. The City is aware of the issues surrounding this problem and has addressed it in both software and hardware. We currently believe that all systems will be compliant by the year 2000.

CONCLUSION

The City of Salisbury has been fortunate to continue to experience rates of growth in its revenue base from taxable valuation during FY99. This growth was sufficient to accommodate expenditures during the year and maintain favorable fund equity.

As we look ahead to the future, a great financial responsibility awaits the City in the Water and Sewer Fund. The City will continue several projects begun during FY95 through FY99. Upcoming projects, which will be financed by \$9,200,000 in State Clean Water Bonds, will ensure a reliable supply of water for our residents; protect the environmental habitats of Grants Creek, Town Creek, and High Rock Lake, and generally provide for the future of our community. The magnitude of these projects is critically important to the City. Increasing State and federal water and wastewater mandates have required the City to make continual investment in water and sewer systems infrastructure and in costs to operate these systems. Significant capital

projects are underway and planned for the future. Now that we know what needs to be done, we will continue in earnest to complete the improvements to the Water and Sewer Utility for the next decade of growth.

The future holds many uncertainties. Federal and State mandates continue to severely press local governments in all areas of operations, not just water and sewer. The citizens of Salisbury have come to expect and appreciate the high level of service they enjoy. The management of the City is necessarily charged with managing its resources in the best possible manner to deliver those services at a cost citizens will agree to bear. As long as revenue growth rates do not decline unexpectedly; the costs of providing services do not escalate more rapidly than in previous years; and the City continues to evaluate all existing and potential revenue options, including annexations, we can accomplish this task. It will not be easy, but few challenges are. All City operations are being asked to contribute to the focused effort to maintain our ability and readiness to respond to our citizens. We have made it happen before, and we will make it happen again. Overall, continued growth and policy adjustments that have been initiated by City Council will continue to provide the City a stable financial position from which we may serve the citizens of Salisbury for years to come.

ACKNOWLEDGMENTS

We wish to thank the Mayor, City Council and the City Manager for the support and trust they have given the Finance Department. On behalf of the team of the Finance Department, we promise our continued dedication to proving ourselves worthy of their support and trust. We are confident that together we can provide the citizens of Salisbury with responsible and progressive financial management.

For the preparation of this Report, the City is especially indebted to Myra B. Heard, Finance Specialist, Mark D. Drye, Accountant, and Michael D. West, Productivity Analyst. Without their assistance, this Report could not have been prepared on a timely basis.

Each year, we strive to prepare a financial report which provides a meaningful analysis and disclosure of the City's financial activities and financial position. We believe this Report conforms substantially to the standards of financial reporting of the appropriate professional organizations.

Respectfully submitted,

John A. Sofley, Jr.
Finance Director

S. Wade Furches
Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

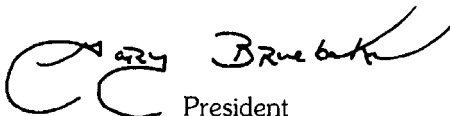
Presented to

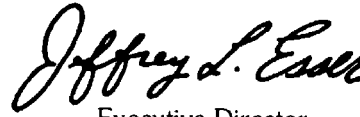
City of Salisbury,
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

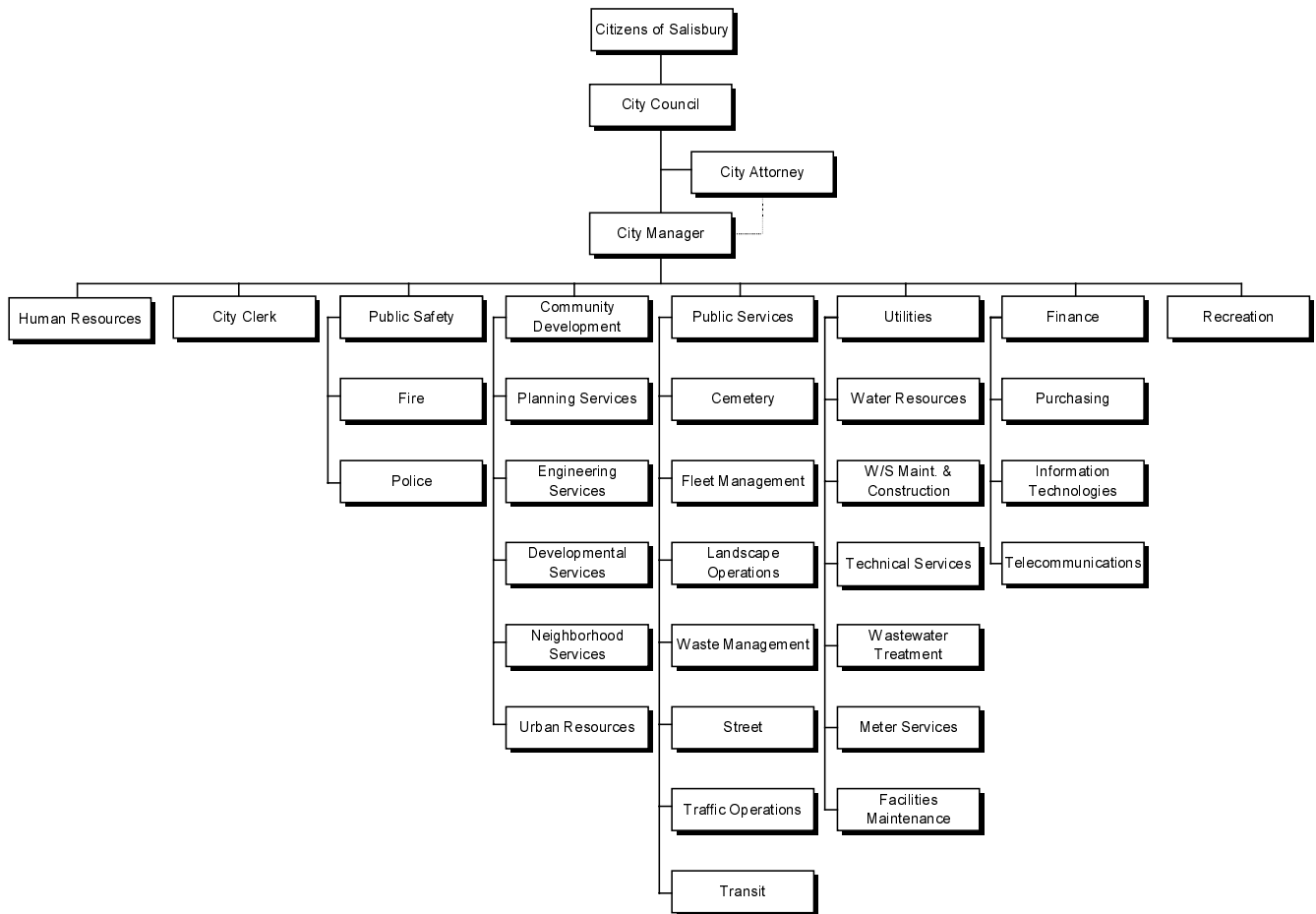



President


Executive Director

CITY OF SALISBURY

ORGANIZATIONAL CHART



CITY OF SALISBURY
LIST OF PRINCIPAL OFFICIALS

June 30, 1999

Mayor	Susan W. Kluttz
Mayor Pro Tem	Paul B. Woodson, Jr.
Council Member	William R. Burgin
Council Member	William R. Kennedy
Council Member	R. Scott Maddox
City Manager	David W. Treme
Assistant City Manager	J. Foster Owen
City Clerk	Virginia P. Petrea
Finance Director	John A. Sofley, Jr.
Fire Chief	Samuel I. Brady
Land Management and Development Director	Larry W. Chilton
Technology Services Manager	C. Michael Crowell
Human Resources Director	Melissa H. Taylor
Police Chief	M. Chris Herring
Public Services Director	Vernon E. Sherrill
Purchasing Agent	Dewey D. Peck
Recreation Director	Gail Elder-White
Utilities Director	John C. Vest

FACTS AND INFORMATION ABOUT THE CITY OF SALISBURY, NORTH CAROLINA

LOCATION

Salisbury, the county seat of Rowan County, is located in the heart of the beautiful Piedmont area; the industrial heart of the State. Salisbury is located midway between Charlotte and Winston-Salem, 296 miles from Atlanta, Georgia and 368 miles from Washington, D.C.

CLIMATE

The climate of the Salisbury area is moderate, a definite advantage to those who live and work here. The massive mountains of Western North Carolina form a natural barrier against the cold east-west winds. While definitely southern in climate, Salisbury is far enough north, and has sufficient altitude to escape the humid summers of many other southern regions. Extremes in climate are very rare and short-lived. In winter the high temperature is about 50 degrees, with a low around 32 degrees. The total snowfall is normally about 6 inches each year. In the summer, the high averages about 87 degrees, with a low of 66 degrees.

POPULATION

The City of Salisbury has been able to maintain its population during the 90's unlike many other similar sized cities. This is due to both annexations and internal growth stimulated by the local economy. Population currently is estimated to be 26,792.

HISTORY

Scotch-Irish, who originally settled in Lancaster County, Pennsylvania, moved down the "Great Wagon Road" 435 miles to Trading Ford on the Yadkin River to become the first settlers in Rowan County.

The County of Rowan was established in 1753. At this time, Rowan included all territory north to Virginia and east to what we know now as Guilford County and west to the mountains. Eventually, 26 counties were formed from Rowan. Rowan County was named for Matthew Rowan, acting governor for the colony in 1753.

The deed for Salisbury is dated February 11, 1755. The court center, called prior to this time Rowan Court House, was a bustling little village of seven or eight log cabins, a court house, jail and pillory,

according to Governor Arthur Dobbs who visited here in late 1755.

The Court House dates to 1753 and consists of deeds, marriages, and miscellaneous records of value. Papers formerly in the Clerk's Office such as the early court minutes are stored at the State Department of Archives in Raleigh. Familiar names in American history adorn these records.

Andrew Jackson, Richard Henderson, William R. Davis, Daniel Boone, Lord Cornwallis, Richard Caswell and many other prominent local families as the Barkleys, Hoovers, and Polks, all ancestors of presidents or vice-presidents, appear time and again in the deeds and court minutes of the county.

Two years before the national Declaration of Independence and one year before the Mecklenburg Declaration of Independence, a group of patriotic citizens of Rowan County, serving as a Committee of Safety, on August 8, 1774, adopted the Rowan Resolves containing the pioneer element toward liberty and independence from Britain. These resolves reached the highest note of any passed in the colony in calling for the abolishment of the African Slave trade and urging the colonies to "unite in an indissoluble union and association". These resolves are located in the State Archives and are the only ones of the many passed in this period that are preserved.

So many legends and lifestyles have been passed down over the passage of time. Daniel Boone began his exploration of the Blue Ridge Mountains from here in Salisbury. Near the present-day library, is the small office where Andrew Jackson studied law and was admitted to the bar before he moved westward.

For all the struggles and hardships our ancestors endured, they have provided Salisbury with character and a rich heritage.

GOVERNMENT

The City of Salisbury's government is organized according to the Council-Manager form of government. The City Council, which formulates policy for the Administration of the City, together with the Mayor, constitutes the governing body of the City. The five (5) members are elected to serve two (2) year terms of office. The Mayor is elected from the five (5) Council members. The

Mayor presides at City Council meetings. Also, a Mayor Pro Tem is elected by City Council members from the five (5) to serve as Mayor during her absence or disability.

The City Council appoints the City Manager to serve as the City's Chief Executive Officer. The City Manager is responsible for implementing the policies of the City Council, directing business and administrative procedures, and appointing departmental officers. At the present time, the City Manager is assisted by the City Clerk and eight staff departments including Finance, Human Resources, Fire, Police, Community Development, Public Services, Parks and Recreation, and Public Utilities.

UTILITIES

Salisbury operates its own water and sewer system. The Yadkin River, which forms the northeast boundary of Rowan County, provides Salisbury with an abundant supply of good water. The average daily flow is nearly 2 billion gallons per day, and the minimum recorded one-day flow is 300 million gallons. The Salisbury water system, conventional in design and closely controlled, has a treatment capacity of 12 million gallons per day. Average daily usage during 1999 was 7.7 million gallons per day. The filter plant is designed for expansion as needed to 18 million gallons per day by adding pumping and settling capacity. An arterial system of distribution mains has been constructed to assure maximum fire protection to all parts of the city.

The Salisbury water system supplies three smaller towns in the County, Spencer, East Spencer, and Granite Quarry, and has been extended to a number of industrial sites well beyond the city limits. Additionally, Salisbury operates and maintains the well system for the Town of Rockwell. The water supply meets all federal and State quality requirements. Salisbury's water is fluoridated on a continuing basis. Salisbury's two wastewater treatment facilities serve as the area's regional wastewater utility with service expansion to the towns of Landis, China Grove, East Spencer, Granite Quarry, and Rockwell. Total daily treatment capacity in 1999 was 12.5 million gallons. Average daily treatment in 1999 was 8.75 million gallons per day.

The City of Salisbury owns and operates the water and sewer utility systems in both Granite Quarry and Rockwell and their surrounding area.

Other utilities are provided by Duke Power Company, Piedmont Natural Gas Company, Bellsouth Telephone, Concord Telephone, and Western Union.

TRANSPORTATION

Salisbury, nearly the geographic and population center of North Carolina, is located on Interstate Highway 85, 42 miles from Charlotte, 53 miles from Greensboro and 38 miles from Winston-Salem. It is the crossroads of I-85, U.S. 29, 52, 70, 601 and N.C. 150. Over 3 million people live within 90 miles of Salisbury, 1.5 million within 55 miles and 60% of the population of the United States within an overnight truck haul. The seaports of Wilmington, Morehead City, Charleston, and Norfolk are less than a one-day truck haul away.

Rowan County Airport, three (3) miles from downtown Salisbury, has a 5,800 ft. x 100 ft. paved and lighted runway. Hangar space and private plane servicing are available.

The major commercial airports at Charlotte and Greensboro-High Point are less than an hour's easy drive from Salisbury. These airports provide excellent service to all parts of the United States via United, USAirways, Delta, TWA, Continental, Eastwind and American Airlines. There are also direct flights available to London and Frankfurt.

Bus service is provided by Carolina Trailways and Greyhound with daily arrivals and departures. Their service also includes parcel shipments.

Local bus service is provided by the City's Transit System.

MOTELS

An ideal area for small conventions, Salisbury has ten (10) motels, with over 600 rooms, and two (2) bed and breakfast establishments in our historic district.

EDUCATION

Salisbury is home to two (2) colleges and a technical college. Catawba College has thirty (30) buildings comprising a physical plant unsurpassed in the East for a college of this size and style. It has a total enrollment of 1,300 Liberal Arts Co-ed students and

is affiliated with the United Church of Christ. Catawba College was founded in Newton, North Carolina in 1851, and opened in Salisbury in 1925.

Livingstone College was founded in 1879, and has 900 Liberal Arts Co-ed students. It is supported by the African Methodist Episcopal Zion Church; Hood Theological Seminary is located at Livingstone.

Rowan-Cabarrus Community College offers two-year educational programs leading to the associated degree in applied science. In addition, one-year diploma programs are offered in five fields. There is a total enrollment of approximately 3,500 full-time students.

In addition to the Salisbury-Rowan public school system, there are several private and church related elementary schools.

ARTS AND ENTERTAINMENT

The cultural atmosphere of the Salisbury area is significantly enriched by the outstanding programs of Catawba and Livingstone Colleges and the other colleges in the area. Each year the Catawba College Shuford School of Performing Art brings a minimum of four musical events to Salisbury. Catawba's fine Drama department offers several professional type drama productions each year. Livingstone College also has a cultural series that brings artists to the community as well as an excellent drama group, The Julia B. Duncan Players.

The Piedmont Players, a community little theater organization, provides excellent entertainment as well as a chance to participate in both its acting and technical activities. They have completely restored the historic Meroney Theater, built in 1905. This theater provides a home for the Players and other performing artists.

The Salisbury-Rowan Symphony, consisting of musicians from the area, presents four concerts each season. In addition to participation in the regular concert series, the string quartet of the Salisbury Symphony visits the elementary schools to present programs. The object of this mini-concert series is to give the students some knowledge of music and famous composers.

Rowan-Cabarrus Community College participates in the North Carolina Visiting Artist Program. Each year a professional artist is employed and in residence at the college. Concerts and musical programs are provided regularly by many artists throughout the state as well as the Visiting Artist. In addition,

Rowan-Cabarrus Community College sponsors a Folk Heritage Center. This center serves as a network for professional and local folk artists and presents classes, concerts, and other folk artist activities for the general public.

COMMUNITY FACILITIES

Salisbury is served daily by The Salisbury Post. Four (4) radio stations provide for local programming. Although there are no local television stations, WBTV operates a satellite newsroom located in Salisbury. Local reception provides coverage of all major networks in addition to cable television facilities. A full-time year-round recreation staff offers activities for both young and old. In addition to organized activities, the City provides several parks and facilities for general use.

City Park has a completely equipped playground, tennis courts and a five (5) acre lake for fishing. Salisbury has a Civic Center with weight room, racquetball courts, auditorium, tennis courts and a handicap exercise trail.

Kesley-Scott Park is a fifteen (15) acre park located on Old Wilkesboro Road. Jaycee Sports Complex is a multi-use area with four (4) ball fields.

Hurley Park is a municipal garden which has a unique collection of plants to the area. The Park provides an educational experience as well as a pleasurable place to stroll.

In addition to these parks, the City of Salisbury is currently constructing a new community park that will total over 350 acres. The park will include athletic fields, passive areas, trails, and a lake. The initial phase of the project is currently under construction with an anticipated opening date in the fall of next year.

SPECIAL EVENTS

Each year, the Salisbury-Rowan Chamber of Commerce presents the National Sportscasters and Sportswriters Awards Program. The National Sportscasters and Sportswriters Awards Program has enjoyed a fantastic success. From its humble beginning to the present time, this program has attracted great national attention to the City. Each year celebrities visit Salisbury to attend the Annual Awards Program.

[Click here to go to next page](#)

